

BANK INDONESIA REGULATION (PBI)
NUMBER 20/2/PBI/2018
CONCERNING
AN AMENDMENT TO BANK INDONESIA REGULATION NUMBER
19/7/PBI/2017
CONCERNING CARRYING FOREIGN BANKNOTES INTO AND OUT OF THE
CUSTOMS TERRITORY OF THE REPUBLIC OF INDONESIA

BY THE GRACE OF GOD ALMIGHTY

GOVERNOR OF BANK INDONESIA

- Considering :
- a. that congruent with the goal of Bank Indonesia, namely to achieve and maintain rupiah stability, Bank Indonesia is authorised to implement monetary controls, one of which is to regulate the flow the foreign banknotes into and out of the customs territory of the Republic of Indonesia;
 - b. that to support the effective application of the regulation on carrying foreign banknotes, an amendment to the existing regulation is required, specifically in terms of the sanctions applicable for violations of the regulation on carrying foreign banknotes into and out of the customs territory of the Republic of Indonesia;
 - c. that based on the considerations referred to in letter a and letter b, it is necessary to implement an Amendment to Bank Indonesia Regulation (PBI) Number 19/7/PBI/2017 concerning Carrying Foreign Banknotes into and out of the Customs Territory of the Republic of Indonesia.

- In view of : 1. Act Number 10 of 1995 concerning Customs (State Gazette of the Republic of Indonesia Number 75 of 1995, Supplement to State Gazette of the Republic of Indonesia 3612), superseded by Act Number 17 of 2006 as an Amendment to Act Number 10 of 1995 concerning Customs (State Gazette of the Republic of Indonesia Number 93 of 2006, Supplement to State Gazette of the Republic of Indonesia 4661);
2. Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Number 66 of 1999, Supplement to State Gazette of the Republic of Indonesia 3843), as amended several times, most recently by Act Number 6 of 2009 concerning Government Regulation in Lieu of Law Number 2 of 2008 concerning the Second Amendment and enactment of Act Number 23 of 1999 concerning Bank Indonesia (State Gazette of the Republic of Indonesia Number 7 of 2009, Supplement to State Gazette of the Republic of Indonesia 4962);
3. Act Number 24 of 1999 concerning Foreign Exchange Flows and the Exchange Rate System (State Gazette of the Republic of Indonesia Number 67 of 1999, Supplement to State Gazette of the Republic of Indonesia 3844);
4. Act Number 7 of 2011 concerning Currency (State Gazette of the Republic of Indonesia Number 64 of 2011, Supplement to State Gazette of the Republic of Indonesia 5223);

DECIDES:

- To issue : A BANK INDONESIA REGULATION AS AN AMENDMENT TO BANK INDONESIA REGULATION NUMBER 19/7/PBI/2017 CONCERNING CARRYING FOREIGN BANKNOTES INTO AND OUT OF THE CUSTOMS TERRITORY OF THE REPUBLIC OF INDONESIA

Article I

Several provisions contained in Bank Indonesia Regulation Number 19/7/PBI/2017 concerning Carrying Foreign Banknotes into and out of the Customs Territory of the Republic of Indonesia (State Gazette of the Republic of Indonesia Number 94 of 2017, Supplement to State Gazette of the Republic of Indonesia 6050) shall be amended as follows:

1. Article 1 shall be amended as follows:

Article 1

This Bank Indonesia Regulation contains the following definitions:

1. Foreign Banknotes, hereinafter abbreviated to UKA, are foreign banknotes issued by a foreign country and recognised as legal tender in the issuing country.
2. Carrying UKA involves the activity of bringing UKA into and/or out of the customs territory of the Republic of Indonesia by an individual or by way of a third party on behalf of an individual or third party through cargo and/or personal belongings as a passenger.
3. A License to Carry UKA is a license granted by Bank Indonesia to carry UKA.
4. A Licensed Institution is a corporation with a valid Licence to Carry UKA.
5. Approval to Carry UKA is an approval granted by Bank Indonesia to a Licensed Institution to carry UKA.
6. The Customs Territory is as stipulated in the prevailing Customs Act.
7. Banks are commercial banks and rural banks as stipulated in the prevailing laws on banking as well as Islamic banks and Islamic rural banks as stipulated in the prevailing laws on Islamic banking.

8. Nonbank money changers are businesses that exchange foreign currencies as stipulated in the Bank Indonesia regulation on nonbank money changers.
9. Rupiah Currency Management Service Providers, hereinafter abbreviated to PJPUR, provide rupiah currency management services as stipulated in the Bank Indonesia regulation on rupiah currency management service providers.
10. Registered PJPUR are those PJPUR that have registered at Bank Indonesia to Carry UKA.
11. Each person refers to individuals or corporations.

2. Article 2 shall be amended as follows:

Article 2

- (1) Each person shall be proscribed from Carrying UKA totalling an equivalent of more than Rp1,000,000,000 (one billion rupiah).
- (2) Licensed Institutions shall be exempt from the restriction referred to in paragraph (1).
- (3) Licensed Institutions, as referred to in paragraph (2), include:
 - a. Banks; and
 - b. Nonbank Money Changers.
- (4) Licensed Institutions, as referred to in paragraph (2), shall be permitted to carry UKA on their own behalf or on behalf of a third party.

3. Article 7 shall be amended as follows:

Article 7

- (1) Licensed Institutions, as referred to in Article 2 paragraph (2), intending to Carry UKA totalling an equivalent of more than Rp1,000,000,000 (one billion rupiah) shall be required to receive Approval to Carry UKA.

- (2) Approval to Carry UKA, as referred to in paragraph (1), includes:
 - a. An approved UKA quota per currency for each respective UKA Carrying period; and
 - b. An approval for each UKA Carry.
 - (3) Licensed Institutions may not carry more UKA than the approved amount referred to in paragraph (2) letter b,
4. Two additional Articles shall be inserted between Article 7 and Article 8, namely Article 7A and Article 7B as follows:

Article 7A

- (1) To acquire an Approval to Carry UKA, as referred to in Article 7 paragraph (2), a Licensed Institution is required to apply for an Approval to Carry UKA from Bank Indonesia.
- (2) The application for an Approval to Carry UKA, as referred to in Article 7 paragraph (2) letter a, shall contain the projected requirement per currency for the associated UKA Carrying period.
- (3) The application for an Approval to Carry UKA, as referred to in Article 7 paragraph (2) letter a, shall be submitted to Bank Indonesia no later than 1 (one) month prior to Carrying UKA.
- (4) Bank Indonesia may request supporting documents relating to the application for an Approval to Carry UKA referred to in paragraph (2).

Article 7B

- (1) If an additional quota is required during a specific period, as referred to in Article 7 paragraph (2) letter a, the Licensed Institution may request an additional quota once during that UKA Carrying period.

- (2) The application for an additional quota, as referred to in paragraph (1), must be submitted by the Licensed Institution no later than 7 (seven) working days prior to Carrying UKA.

5. Article 8 shall be amended as follows:

Article 8

Bank Indonesia may reject an application for an Approval to Carry UKA submitted by a Licensed Institution, as referred to in Article 7 paragraph (1) and Article 7B paragraph (1), based on the following considerations:

- a. The purpose for Carrying UKA;
- b. Historical aspects of Carrying UKA;
- c. Macroeconomic dynamics; and/or
- d. Other considerations.

6. One additional part shall be inserted between PART V and PART VI, namely PART VA as follows:

PART VA

REPORTING AND SUPERVISION

Article 14A

- (1) Licensed Institutions must report UKA realisation for each UKA Carrying period.
- (2) The report referred to in paragraph (1) must be submitted no later than 10 (ten) working days after completion of the period.
- (3) Further provisions concerning the submission procedure for the report referred to in paragraph (1) shall be contained in a Board of Governors Regulation (PADG).

Article 14B

- (1) Bank Indonesia shall be authorised to supervise Licensed Institutions with respect to Carrying UKA.
- (2) Supervision, as referred to in paragraph (1) shall include:
 - a. Off-site supervision; and
 - b. On-site inspections.
- (3) When conducting the supervision referred to in paragraph (2), Bank Indonesia may request reports, declarations, data and/or information from the Licensed Institution, relevant authorities and/or other related parties regarding Carrying UKA.
- (4) Bank Indonesia may assign a third party to conduct on-site inspections, as referred to in paragraph (2) letter b.

7. Article 18 shall be amended as follows:

Article 18

- (1) The conversion of UKA into rupiah in relation to the threshold for Carrying UKA, as referred to in Article 2 paragraph (1) and Article 7 paragraph (1), shall apply the exchange rate published by the Ministry of Finance of the Republic of Indonesia.
- (2) If the UKA in possession is not included on the list of exchange rates published by the Ministry of Finance of the Republic of Indonesia, as referred to in paragraph (1), the UKA shall first be converted into USD using the market selling rate prior to conversion using the exchange rate published by the Ministry of Finance of the Republic of Indonesia.

8. Article 19 shall be amended as follows:

Article 19

Each Person found in violation of the regulation on Carrying UKA, as referred to in Article 2 paragraph (1), shall receive an administrative sanction in the form of a fine amounting to 10% (ten percent) of the UKA in possession up to a maximum of Rp300,000,000 (three hundred million rupiah).

9. Article 20 shall be amended as follows:

Article 20

- (1) Licensed Institutions Carrying UKA totalling an equivalent of more than Rp1,000,000,000 (one billion rupiah) without an Approval to Carry UKA, as referred to in Article 7 paragraph (1), shall receive an administrative sanction in the form of a fine amounting to 10% (ten percent) of the UKA in possession up to a maximum of Rp300,000,000 (three hundred million rupiah).
- (2) Licensed Institutions found in violation of the regulation on Carrying UKA, as referred to in Article 7 paragraph (3), shall receive an administrative sanction in the form of a fine amounting to 10% (ten percent) of the excess UKA in possession up to a maximum of Rp300,000,000 (three hundred million rupiah).
- (3) In addition to the sanctions referred to in paragraph (1) and paragraph (2), Licensed Institutions shall also receive the following administrative sanctions by Bank Indonesia:
 - a. Written reprimand;
 - b. Temporary suspension of License to Carry UKA;
and/or
 - c. Revocation of License to Carry UKA.

10. Two additional Articles shall be inserted between Article 20 and Article 21, namely Article 20A and Article 20B as follows:

Article 20A

- (1) Administrative sanctions in the form of a fine, as referred to in Article 19 and Article 20, shall be paid as follows:
 - a. Paid directly from the UKA in possession;
 - b. Paid in rupiah; and/or
 - c. Paid in a foreign currency exchanged in the Republic of Indonesia.
- (2) If the administrative sanctions in the form of a fine are to be paid in rupiah, as referred to in paragraph (1) letter b, and/or another currency, as referred to in paragraph (1) letter c, the prevailing market selling rate at the time of the fine shall be used for the conversion.
- (3) If the administrative sanctions in the form of a fine are to be paid from the UKA in possession, as referred to in paragraph (1) letter a, and/or another currency, as referred to in paragraph (1) letter c, the prevailing market selling rate when the fine is deposited into state cash shall be used for the conversion.

Article 20B

- (1) The administrative sanctions in the form of a fine, as referred to in Article 19 and Article 20, shall be collected by the Directorate General of Customs and Excise of the Republic of Indonesia.
- (2) The administrative sanctions in the form of a fine, as referred to in Article 19 and Article 20, shall be deposited in state cash through a separate customs' account.

11. Article 22 shall be amended as follows:

Article 22

Licensed Institutions found in violation of the provisions referred to in Article 11 paragraph (1), Article 13 paragraph (1) and/or Article 14A, shall receive the following administrative sanctions by Bank Indonesia:

- a. Written reprimand;
- b. Temporary suspension of License to Carry UKA; and/or
- c. Revocation of License to Carry UKA.

12. Article 24 shall be amended as follows:

Article 24

Further provisions concerning the procedure for imposing administrative sanctions, as referred to in Article 20 paragraph (3) and Article 22, shall be contained in a Board of Governors Regulation (PADG).

13. One additional Article shall be inserted between Article 25 and Article 26, namely Article 25A as follows:

Article 25A

The requirement to obtain a License to Carry UKA as stipulated in this Bank Indonesia Regulation does not abrogate the declaration requirements when carrying cash or other payment instruments into and out of the customs territory of the Republic of Indonesia contained in prevailing laws concerning the prevention and eradication of money laundering.

14. Article 26 shall be amended as follows:

Article 26

- (1) The provisions referred to in Article 2, Article 3, Article 4, Article 7, Article 7A, Article 14A shall be effective from 4th June 2018.
- (2) The provisions referred to in Article 19, Article 20, Article 20A, Article 20B, Article 22 and Article 23 shall be effective from 3rd September 2018.

Article II

This Bank Indonesia Regulation shall come into effect upon the date of enactment.

For public cognisance, ordering the promulgation of this
Bank Indonesia Regulation through placement in the State
Gazette of the Republic of Indonesia.

Issued in Jakarta

1st March 2018

GOVERNOR OF BANK INDONESIA

AGUS D.W. MARTOWARDOJO

Enacted in Jakarta

on 5th March 2018

MINISTER OF LAW AND HUMAN RIGHTS

YASONNA H. LAOLY

STATE GAZETTE OF THE REPUBLIC OF INDONESIA NUMBER 25 OF 2018

ELUCIDATION
OF
BANK INDONESIA REGULATION
CONCERNING
AN AMENDMENT TO BANK INDONESIA REGULATION NUMBER
19/7/PBI/2017
CONCERNING CARRYING FOREIGN BANKNOTES INTO AND OUT OF THE
CUSTOMS TERRITORY OF THE REPUBLIC OF INDONESIA

I. GENERAL

To achieve and maintain rupiah stability in pursuance of the mandate according to Act Number 23 of 1999 concerning Bank Indonesia, as amended on several occasions, most recently by Act Number 6 of 2009, Bank Indonesia is authorised to implement monetary controls.

To support the effective application of monetary controls, the mechanism to carry foreign banknotes (UKA) totalling an equivalent of more than Rp1,000,000,000 (one billion rupiah) must be regulated to ensure that Bank Indonesia can monitor the domestic supply and demand of UKA, while simultaneously mitigating the unlicensed flow of UKA.

Backing the effective enforcement of the regulation on Carrying UKA, Bank Indonesia is required to amend the prevailing regulation, specifically in terms of the sanctions applicable for violating the regulation on Carrying UKA from prevention in accordance with Customs Laws to administrative sanctions in the form of fines.

II. ARTICLE BY ARTICLE

Article I

Number 1

Article 1

Self-explanatory

Number 2

Article 2

Paragraph (1)

UKA includes polymer banknotes.

Foreign banknotes printed in Indonesia are not considered UKA because the printed banknotes have not been recognised as legal tender by the issuing country. Therefore, printing companies authorised to print banknotes on behalf of the authorities in another country may carry the printed banknotes pursuant to prevailing regulations.

Carrying UKA with an equivalent value in excess of Rp1,000,000,000 (one billion rupiah) takes into consideration the total UKA in possession.

Example:

An individual carrying UKA as follows:

- a. UAD50,000 (fifty thousand Australian dollars);
- b. USD30,000 (thirty thousand US dollars); and
- c. EUR20,000 (twenty thousand euros).

The exchange rates published by the Ministry of Finance of the Republic of Indonesia effective at the time of Carrying the UKA are as follows:

1 AUD = Rp10,800.00

1 USD = Rp13,500.00

1 EUR = Rp17,000.00

Therefore, the value of the UKA in possession is as follows:

$(AUD50,000 \times Rp10,800) + (USD30,000 \times Rp13,500) + (EUR20,000 \times Rp17,000) = Rp1,285,000,000.00.$

Consequently, the value of the UKA carried, totalling Rp1,285,000,000 (one billion two hundred and eighty-five million rupiah), exceeds the threshold.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Number 3

Article 7

Paragraph (1)

Self-explanatory

Paragraph (2)

Letter a

The UKA Carrying Period represents one quarter, namely from January to March, April to June, July to September and October to December.

Letter b

Approval for each UKA Carry is the approval granted to carry UKA referring to the quota provided by Bank Indonesia.

Paragraph (3)

Carrying UKA in excess of the approved amount is the total UKA carried exceeding the amount approved by Bank Indonesia for each respective currency and each UKA Carry.

Number 4

Article 7A

Paragraph (1)

Self-explanatory

Paragraph (2)

The UKA Carrying Period represents one quarter, namely from January to March, April to June, July to September and October to December.

Paragraph (3)

Example:

If a Licensed Institution intends to carry UKA on 15th February 2018 for the period from January to March 2018, the Licensed Institution must apply for an Approval to Carry UKA no later than 15th January 2018.

Paragraph (4)

Self-explanatory

Article 7B

Self-explanatory

Number 5

Article 8

Letter a

Bank Indonesia may reject an Approval to Carry UKA by considering the purpose for carrying the UKA, for instance if a Licensed Institution applies for an Approval to Carry UKA on behalf of an Unlicensed Nonbank Money Changer and/or for an unlicensed fund transfer.

Letter b

Self-explanatory

Letter c

Self-explanatory

Letter d

Self-explanatory

Number 6

Article 14A

Paragraph (1)

The UKA Carrying Period represents one quarter, namely from January to March, April to June, July to September and October to December.

Paragraph (2)

Self-explanatory

Paragraph (3)

Self-explanatory

Article 14B

Paragraph (1)

Self-explanatory

Paragraph (2)

Letter a

Off-site supervision includes monitoring, analysis and evaluation of the documents, data, information, reports, declarations and/or clarifications submitted by the Licensed Institution as well as other information sources.

Letter b

On-site inspections of the Licensed Institutions or third parties cooperating with the Licensed Institutions shall be conducted periodically or as required.

On-site inspections include inspections of the documents, physical facilities and applications used by the Licensed Institutions.

Paragraph (3)

Self-explanatory

Paragraph (4)

Self-explanatory

Number 7

Article 18

Paragraph (1)

Self-explanatory

Paragraph (2)

The market selling rate refers to the exchange rates published by banks, nonbank money changers, Bloomberg and Reuters.

Number 8

Article 19

Self-explanatory

Number 9

Article 20

Paragraph (1)

Self-explanatory

Paragraph (2)

The magnitude of the fine is calculated based on the excess UKA for each currency.

Example:

A Licensed Institution carries UKA totalling AUD50,000.00 (fifty thousand Australian dollars) and USD120,000.00 (one hundred and twenty thousand US dollars). Nevertheless, the Licensed Institution has only been approved to carry UKA totalling AUD40,000.00 (forty thousand Australian dollars) and USD100,000.00 (one hundred thousand US dollars).

Therefore, Licensed Institution will be subject to the following fines:

- a. In AUD, namely 10% of (AUD50,000 – AUD40,000) = AUD1,000 (one thousand Australian dollars); and
- b. In USD, namely 10% of (USD120,000 – USD100,000) = AUD2,000 (two thousand US dollars).

Paragraph (3)

Self-explanatory

Number 10

Article 20A

Paragraph (1)

Self-explanatory

Paragraph (2)

The market selling rate refers to the exchange rates published by banks, nonbank money changers, Bloomberg and Reuters.

Example:

- a. A party is subject to an administrative sanction in the form of an AUD fine totalling AUD5,000.00 (five thousand Australian dollars), but intends to pay the

fine in US dollars (USD). The exchange rate used to convert the AUD to USD is the market selling rate (for instance the prevailing exchange rate published by Reuters AUD1.00 = USD0.8000).

Therefore, the fine payable is AUD5,000 x USD0.8000 = USD4,000.00; and

- b. A party is subject to an administrative sanction in the form of an AUD fine totalling AUD5,000.00 (five thousand Australian dollars), but intends to pay the fine in rupiah.

The exchange rate used to convert the AUD to IDR is the market selling rate (for instance the prevailing exchange rate published by Reuters AUD1.00 = Rp10,800).

Therefore, the fine payable is AUD5,000 x Rp10,800 = Rp54,000,000.

Paragraph (3)

Example:

An official from the Directorate General of Customs and Excise of the Republic of Indonesia will deposit a fine of USD4,000 (four thousand US dollars) to state cash. The exchange rate used is the prevailing market selling rate at the time of deposit (for instance the prevailing exchange rate published by Reuters USD1.00 = Rp13,500). Therefore, the fine deposited to state cash will total USD4,000 x Rp13,500 = Rp54,000,000.

Article 20B

Self-explanatory

Number 11

Article 22

Self-explanatory

Number 12

Article 24

Self-explanatory

Number 13

Article 25A

Self-explanatory

Number 14

Article 26

Self-explanatory

Article II

Self-explanatory

SUPPLEMENT TO THE STATE GAZETTE OF THE REPUBLIC OF INDONESIA
NUMBER 6185